

Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 L-03 H-01
PA-01 SIG-03 /071 R

DRAFTED BY EB/IFD/OMA:BGCROWE:JVM
APPROVED BY EB/IFD/OMA:MEELY
EUR/SE:EMARCOTT
TREASURY:RBLAKE
FEDERAL RESERVE:SFARRER
-----077369 262254Z /13

P R 262141Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY ANKARA PRIORITY
INFO AMEMBASSY ATHENS
AMEMBASSY PARIS
AMEMBASSY THE HAGUE
AMCONSUL ISTANBUL
AMEMBASSY LONDON
AMEMBASSY BERN

C O N F I D E N T I A L STATE 189030

E.O. 11652: GDS

TAGS: EFIN, TU

SUBJECT: USG GUARANTY OF BIS LOAN

REFS: (A) ANKARA 4887 (NOTAL); (B) ANKARA 4633 (NOTAL)

1. WE NOTE THAT GOT HAS NOT FOLLOWED UP INFORMAL
REQUEST (REF. B). THE FOLLOWING IS PROVIDED FOR YOUR
INFORMATION. YOU SHOULD NOT RAISE ISSUE WITH GOT. IF
ISSUE SHOULD BE RAISED BY GOT IN INFORMAL CONTACTS, YOU
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SHOULD DISCOURAGE ANY IDEA THAT USG COULD GUARANTEE BIS
LOAN.

2. WE APPRECIATE SERIOUSNESS OF TURKEY'S BALANCE OF
PAYMENTS SITUATION WHICH LED TO EMBASSY RECOMMENDATION
THAT USG CONSIDER PARTICIPATING IN GUARANTEE OF 500
MILLION DOLLARS BIS LOAN. WE HAVE CAREFULLY REVIEWED

THIS ISSUE AND HAVE CONCLUDED THAT IT WOULD NOT REPEAT NOT BE POSSIBLE FOR THE USG TO PARTICIPATE IN SUCH A GUARANTEE. (FYI: (A) THERE IS NO PRECEDENT FOR SUCH A USG GUARANTEE; (B) MOREOVER THE FEDERAL RESERVE HAS NO AUTHORITY TO EXTEND SUCH A GUARANTEE; AND (C) THE US TREASURY CANNOT UNDERTAKE SUCH A GUARANTEE BECAUSE OF LIMITATIONS ON RESOURCES AND LEGISLATIVE AND POLICY CONSTRAINTS. END FYI.)

3. THE STATISTICS PROVIDED IN REFTTEL ARE, AS EMBASSY SUGGESTS, DISQUIETING. WE NOTE, IN PARTICULAR, THE EXPORT PROJECTIONS OF 2.0 BILLION DOLLARS COMPARED TO GOT EXPECTATIONS OF BETWEEN 2.4 AND 2.5 BILLION DOLLARS IN 1978. ALSO THE ESTIMATE FOR WORKERS' REMITTANCES IS THE LOWEST FIGURE WE HAVE SEEN TO DATE. IN THE LIGHT OF THE TWO RECENT LIRA DEVALUATIONS, WE WOULD BE INTERESTED IN THE EMBASSY'S ASSESSMENT OF THE FACTORS/ POLICIES IMPINGING ON PERFORMANCE OF THE MAJOR EXPORT ITEMS AS WELL AS ANY INFORMATION YOU HAVE REGARDING SLOWED TURKISH REMITTANCES FOR 1978. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC GROWTH, INDUSTRIAL DEVELOPMENT, LOANS, CREDIT GUARANTEES
Control Number: n/a
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Draft Date: 26 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
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Disposition History: n/a
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Disposition Remarks:
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